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BEFORE THE
ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY) DOCKET NO.
) 07-0371
)
)
Petition for Authority to Incur)
\$28,500,000 of Indebtedness and)
Approval of Affiliated Interest)
Transaction)

Springfield, Illinois
Wednesday, December 5, 2007

Met, pursuant to notice, at 11:00 a.m.

BEFORE:

MR. JOHN ALBERS, Administrative Law Judge

APPEARANCES:

MR. ALBERT STURTEVANT
JONES DAY
77 West Wacker
Chicago, Illinois 60601
Ph. # (312) 269-4094

(Appearing on behalf of
Petitioner via teleconference)

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
Ln. #084-002710

1 APPEARANCES: (Cont'd)

2 MS. MARY SULLIVAN
Corporate Counsel
3 100 North Water Works Drive
Belleville, Illinois 62223
4 Ph. # (618) 239-3222

5 (Appearing on behalf of the
Petitioner via teleconference)

6

7 MR. JAMES OLIVERO
Office of General Counsel
527 East Capitol Avenue
8 Springfield, Illinois 62701

9 (Appearing on behalf of Staff
10 of the Illinois Commerce
Commission)

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I N D E X

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
None .				

EXHIBITS

	<u>MARKED</u>	<u>ADMITTED</u>
IAWC MJH-1.0 Corrected, 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 2.0, 3.0	E-Docket	28
IAWC BLS-1.0 Revised, 1.1, 1.2, 1.2A, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 2.0, 3.0	E-Docket	29
ICC Staff 1.0, 1.1	E-Docket	30
ICC Staff 2.0, 2.1	E-Docket	31

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JUDGE ALBERS: By the authority vested in me by the Illinois Commerce Commission, I now call Docket Number 07-0371. This docket was initiated by Illinois-American Water Company. The Company seeks authority to incur \$28.5 million of indebtedness and approval of an affiliated interest transaction.

May I have the appearances for the
record, please?

MR. STURTEVANT: Appearing on behalf of
Illinois-American Water Company, Albert Sturtevant,
S-T-U-R-T-E-V-A-N-T, Jones Day, 77 West Wacker,
Chicago, Illinois 60601. My phone number is
(312) 269-4094.

MS. SULLIVAN: Also on behalf of
Illinois-American Water, Mary Sullivan. My address
is 100 North Water Works Drive, Belleville, Illinois
62223. The phone number is (618) 239-3222.

MR. OLIVERO: Appearing on behalf of Staff witnesses of the Illinois Commerce Commission, Jim Olivero, O-L-I-V-E-R-O, 523 East Capitol Avenue, Springfield, Illinois 62701.

1 JUDGE ALBERS: Any others? Let the record show
2 no response.

3 Any preliminary matters today?
4 Hearing none, we will move ahead.

5 I have received the previously
6 submitted testimony of both Staff and the Company,
7 and it is my understanding that there are no
8 contested issues remaining, and both sides are
9 prepared to offer their testimony for its submission
10 into the record today, is that correct?

11 MR. OLIVERO: That's correct, Your Honor.

12 MR. STURTEVANT: That's correct, Your Honor.

13 JUDGE ALBERS: Mr. Sturtevant or Ms. Sullivan,
14 whichever one of you are going to be handling this,
15 would you like to proceed?

16 MR. STURTEVANT: That's me, Your Honor.

17 Your Honor, Illinois-American would
18 first offer the testimony of Michael J. Hoffman which
19 consists of direct testimony of Mr. Hoffman marked as
20 IAWC Exhibit MJH-1.0 Corrected and accompanying
21 exhibits MJH-1.1 through 1.6; and the rebuttal
22 testimony of Mr. Hoffman marked as IAWC Exhibit

1 MJH-2.0. These are supported by Mr. Hoffman's
2 affidavit which has been marked as IAWC Exhibit
3 MJH-3.0; and Illinois American would move for
4 admission of Mr. Hoffman's testimony at this time.

5 JUDGE ALBERS: Do you have any affidavits,
6 Mr. Olivero?

7 MR. OLIVERO: I didn't as of yet. But, I mean,
8 with the e-Docket being down, I hadn't seen them.

9 MR. STURTEVANT: Your Honor, I hadn't filed
10 them because of the e-Docket situation. I can
11 provide them by e-mail, and I guess we would just
12 file them as a late-filed exhibit when the e-Docket
13 is functional again.

14 JUDGE ALBERS: That's fine. I just wanted to
15 make sure I hadn't missed something.

16 Mr. Olivero, are you comfortable with
17 the testimony, absent having seen the exhibit?

18 MR. OLIVERO: Yeah, I am sure it is in the form
19 they typically have. So that would be fine with us.

20 JUDGE ALBERS: Any objection to any of these
21 exhibits?

22 MR. OLIVERO: No, Your Honor.

1 JUDGE ALBERS: Then IAWC Exhibits MJH-1.0
2 Corrected, along with 1.1 through 1.6, and MJH
3 Exhibits 2.0 and 3.0 are admitted.

4 (Whereupon IAWC Exhibits MJH-1.0
5 Corrected, MJH-1.1, MJH-1.2,
6 MJH-1.3, MJH-1.4, MJH-1.5,
7 MJH-1.6, MJH-2.0 and MJH-3.0
8 were admitted into evidence.)

9 JUDGE ALBERS: And your other witness?

10 MR. STURTEVANT: Your Honor, Illinois-American
11 would also offer the testimony of Barry L. Suits.
12 This consists of Mr. Suits direct testimony which is
13 marked as IAWC Exhibit BLS-1.0 Revised and
14 accompanying exhibits. Those are IAWC Exhibit
15 BLS-1.1 in both proprietary and public versions.
16 IAWC Exhibit BLS-1.2, also in public and proprietary
17 versions. IAWC Exhibit BLS-1.2A and IAWC Exhibit
18 BLS-1.3 to 1.9.

19 In addition, the rebuttal testimony of
20 Mr. Suits which has been marked as IAWC Exhibit
21 BLS-2.0, these are supported by Mr. Suits' affidavit
22 marked as IAWC Exhibit BLS-3.0 which as previously

1 discussed will be provided by e-mail to the parties
2 and filed on e-Docket when that is feasible.

3 JUDGE ALBERS: Could you just go over those
4 attachments to his direct testimony to make sure I
5 have got it down right?

6 MR. STURTEVANT: Sure. BLS-1.1 in public and
7 proprietary versions. BLS-1.2 also in public and
8 proprietary versions. BLS 1.2A and BLS-1.3 through
9 BLS-1.9.

10 JUDGE ALBERS: Okay, thank you. Any objection
11 to any of those?

12 MR. OLIVERO: No, Your Honor.

13 JUDGE ALBERS: Hearing no objection, then IAWC
14 Exhibit BLS-1.0 Revised, 1.1 public and proprietary,
15 1.2 public and proprietary, 1.2A and 1.3 through 1.9,
16 in addition to BLS Exhibits 2.0 and 3.0 are all
17 admitted.

18 (Whereupon IAWC Exhibits BLS-1.0
19 Revised, BLS-1.1 Public and
20 Proprietary, BLS 1.2-Public and
21 Proprietary, BLS-1.2A, BLS-1.3,
22 BLS-1.4, BLS-1.5, BLS-1.6,

1 BLS-1.7, BLS-1.8, BLS-1.9,
2 BLS-2.0, BLS-3.0 were admitted
3 into evidence.)
4 JUDGE ALBERS: Anything further from the
5 Company?
6 MR. STURTEVANT: Nothing further, Your Honor.
7 JUDGE ALBERS: All right. Thank you. And
8 turning to Staff.
9 MR. OLIVERO: Your Honor, at this time Staff
10 would move for admission into the record of ICC Staff
11 Exhibit 1.0 which is the direct testimony of Rochelle
12 Phipps. This document was filed via the e-Docket on
13 November 8, 2007. And Staff would also move for
14 admission into the record of ICC Staff Exhibit 1.1
15 which is the affidavit of Rochelle Phipps, and that
16 affidavit was filed on e-Docket yesterday, actually,
17 December 4.
18 JUDGE ALBERS: Any objection? Hearing none,
19 Staff Exhibits 1.0 and 1.1 are admitted.
20 (Whereupon ICC Staff Exhibits
21 1.0 and 1.1 were admitted into
22 evidence.)

1 MR. OLIVERO: And then, Your Honor, Staff moves
2 for admission into the record of ICC Staff Exhibit
3 2.0 which is the direct testimony of William H.
4 Atwood, Jr. This document was filed via the
5 Commission's e-Docket on November 8, 2007. Staff
6 also moves for admission into the record of ICC Staff
7 Exhibit 2.1 which is the affidavit of William H.
8 Atwood, Jr. This document was filed via the
9 Commission's e-Docket system on December 4 of 2007.

10 JUDGE ALBERS: Any objection?

11 MR. STURTEVANT: No objection, Your Honor.

12 JUDGE ALBERS: Very good. Then Staff Exhibits
13 2.0 and 2.1 are admitted.

14 (Whereupon ICC Staff Exhibits
15 2.0 and 2.1 were admitted into
16 evidence.)

17 JUDGE ALBERS: Anything further from Staff?

18 MR. OLIVERO: That would be all from the Staff,
19 Your Honor.

20 JUDGE ALBERS: Thank you. I will just note for
21 the record that it was my understanding that no one
22 had any cross examination for any of the witnesses,

1 and neither of the attorneys have voiced any need for
2 cross examination at this point. So given the
3 parties' positions, I am not aware of any need for
4 briefs.

5 And based on the discussion that
6 occurred before we went on the record, it is my
7 understanding that I should expect to receive a draft
8 order by December 17.

9 MR. STURTEVANT: That's correct, Your Honor.

10 JUDGE ALBERS: Anything further for the record
11 today?

12 MR. STURTEVANT: Nothing from the company.

13 MR. OLIVERO: Nothing on behalf of Staff, Your
14 Honor.

15 JUDGE ALBERS: All right. Thank you, all. And
16 with that, I will mark the record heard and taken.

17 HEARD AND TAKEN

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